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The rebellion by dissident whites that broke out in Lourenco Marques last Saturday in protest against the independence agreement signed between Lisbon and the black Front for the Liberation of Mozambique fell apart yesterday.

In a final announcement yesterday morning from the radio station they had been using as a headquarters, the dissidents agreed to give up to avoid further violence. During the previous night, sporadic incidents of shooting, rock throwing, and looting had taken place in the black suburbs of Lourenco Marques. At least two persons were killed. Some 30 persons were killed during an army crackdown on white demonstrators in the port city of Beira on Monday.

On Monday evening the dissidents in Lourenco Marques met with two envoys sent to the territory by President Spinola to hear their grievances. The envoy returned to Lisbon immediately after the meeting without commenting on the talks. Although the dissidents may have received some encouragement that their protests would be considered by Lisbon, it seems unlikely that they gained any significant concessions. Lisbon cannot revoke its agreement with the front, and the front is not likely to consider modifying the agreement to allow its political opponents a place in the transitional government--the dissidents' basic demand.

Although the immediate crisis has been resolved, the episode has cast a long shadow on the future of the territory. The move toward a transitional government is off to a shaky start. Its unrepresentative nature has been highly publicized.

There are indications that the bold stand of the dissidents attracted considerable sympathy throughout the territory and from a number of small political organizations. These organizations--made up of whites,

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blacks, and mulattoes--adamantly oppose the agreement with the front and may be encouraged by Lisbon's indecisiveness to try to get together in another effort to derail the accord.

It seems unlikely that another such attempt, even if better planned and better timed, would succeed, but it could have the effect of plunging Mozambique into civil war. During the transition to full independence next June, the front will be incapable of maintaining internal security by itself. A strong bid by a coalition drawn from Mozambique's 250,000 whites and mulattoes and supported by anti-front black civilians and former soldiers would pose a serious threat to the transitional government, despite the military backing the interim regime is supposed to get from Lisbon under the recent agreement.

Front officials announced in Tanzania on Monday that they will be ready to begin setting up the transitional government in Lourenco Marques next week. The front will appoint a prime minister for the territory and two thirds of the government.

The Mozambique rebellion could spur a similar effort in Angola, where the white population is larger and known to be disgruntled. Demonstrations in support of the white dissidents in Mozambique broke out on Monday in Nova Lisboa, Angola's second largest city; the capital, Luanda, apparently has remained quiet.

Racial hostilities are more deeply ingrained in Angola than in Mozambique and the economic stakes are greater. Angola's whites might be encouraged to make their own bid for power before the territory's disorganized and feuding insurgent groups can unite and negotiate a front-type agreement with Lisbon. Unlike Mozambique, however, where the rebels were avowedly seeking participation with the front, whites in Angola might prefer a unilateral declaration of independence on the Rhodesian model.

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USSR

Jewish emigration from the USSR to Israel during the first eight months of 1974 totaled 13,700, a drop of 32 percent from the same period in 1973, when 20,287 received permission to leave. According to the Dutch embassy, which represents Israeli interests in Moscow, the departure rate has remained at about 1,500 monthly since May of this year.

The Dutch believe that the downturn is not attributable to any increase in the rate of Soviet rejections of exit applications; as in the past, such refusals are running about 10 percent of the total applications. They see the continuing decline as the cumulative effect of constraints, including the financial hardships experienced by Jews who make application to leave the USSR and the uncertainty of conditions in Israel.

Some 145,000 Soviet Jews reportedly have formal invitations from Israel. Rather than applying immediately for permission to leave, many are holding open their options, possibly in the hope that Western efforts to negotiate a reduction of the costs and risks of emigration will succeed.

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National Intelligence Bulletin September 11, 1974**USSR-PLO**

Soviet President Podgorny has given Moscow's first authoritative endorsement of some form of Palestinian state.

In his speech in Bulgaria on September 8, Podgorny said the Palestinians had a "sovereign right to establish their own statehood in one form or another." Although Soviet diplomats privately have urged the Palestinians to work for an independent state composed of the West Bank and the Gaza strip, Moscow's usual public formulation has been merely to support the "legitimate, national rights" of the Palestinians.

Podgorny's formulation is sufficiently vague to cover either Palestinian participation in a federation with Jordan or the establishment of a government in exile. This ambiguity is in line with Moscow's strategy of not getting out ahead of the Arabs or the Palestine Liberation Organization itself on the issue.

In another gesture toward the Palestinians, one of Moscow's roving ambassadors met with PLO leader Yasir Arafat in Beirut on September 7 to talk about the coming UN General Assembly session. Soviet diplomats have frequently met with the Palestinians, but this is apparently the first time that one of Moscow's roving representatives has done so. It is another small step toward formal recognition of the PLO by the USSR.

In taking these actions at this time, Moscow probably has one eye on the prospect that the General Assembly may take more decisive action on the Palestinian issue this fall. A Soviet official in Moscow recently said that increasing international recognition of the PLO meant that the fedayeen could obtain additional support for a UN resolution that goes beyond the UN's previous expressions of sympathy for the Palestinians.

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Arab oil-producing countries have contributed more than \$20 million, or over half, of the flood assistance received by Dacca. This is their first substantial aid to Bangladesh.

Saudi Arabia has provided the largest gift--\$10 million--through UN channels. The United Arab Emirates has given \$5 million; Iraq, \$3.5 million; Qatar, \$1.5 million; Egypt, \$25,900; and Kuwait, 300 tons of commodities. Total flood assistance, over \$36 million, is less than 10 percent of total annual aid receipts.

The Arab contributions are indicative of a trend toward acceptance of Bangladesh by its fellow Muslims in the Arab world, which has been particularly evident since Pakistan formally recognized Bangladesh last February. Iraq, Kuwait, Saudi Arabia, and the United Arab Emirates have been invited to participate in a World Bank - sponsored consortium of potential donors next month.

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New Delhi purchased 700,000 tons of US, Argentine, and Canadian wheat during the past two weeks, pushing scheduled grain imports in fiscal year 1975 to 2.8 million tons--about half of minimum import needs. Faced with tight grain markets and below-normal monsoon rains, New Delhi abandoned its ceiling of \$150 a ton for foreign wheat.

Deteriorating prospects for food assistance make further commercial purchases likely. Moscow now appears unwilling to meet Indian requests for 2 million tons. In addition, New Delhi's desire for 1 million tons from the EC is not likely to be fulfilled.

Acting Agriculture Minister Subramanian has discussed with Ambassador Moynihan a need for 8 million tons of concessional grain imports from all sources during the next 18 months. Instead of a resumption in PL-480 shipments, New Delhi wants to obtain US grain on long-term credits, barter terms, or through the UN.

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CHILE

Security forces are on alert against possible leftist attempts to disrupt today's celebration commemorating the overthrow of President Allende one year ago. The "Day of National Liberation" will be marked by a rally in downtown Santiago, tributes to soldiers killed in the fighting during the coup and its aftermath, and a speech by junta President Pinochet.

Pinochet probably will review the situation in Chile prior to the coup, list the military government's accomplishments, and reveal some specifics about future plans. He is unlikely to deviate from the military's policy of refusing to set deadlines for the planned major restructuring of the nation's political and economic systems.

Pinochet may use the occasion to announce modifications of the year-old states of war and siege or to make a major gesture in the area of human rights. He could announce what the government has decided to do with the Allende cabinet officers and leftist party leaders it has held since the coup.

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FOR THE RECORD

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Israel: A large-scale Israeli military exercise has been in progress on the Golan Heights since September 9. Israeli military authorities say the maneuvers are the largest to be held in the area since the war last October.

The Israelis state that the maneuvers are intended to test new combat techniques for operations in rough terrain. UN personnel reportedly were notified of the maneuvers in advance in order to avoid alarming Damascus. The Israelis have held a number of military exercises over the past month or so, including a nationwide call-up of reservists. They usually hold maneuvers during August and September, but the exercises this year have been larger and more extensive than before.

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